Department from non-core functions so that it can concentrate on its core functions of assessments, investigation and tax collection.

More funds for Planning Commission

2718. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Prime Minister has recently directed the Finance Ministry to provide more money for the Planning Commission as gross budgetary support for plan schemes in 2003-04;

(b) if so, the details thereof;

(c) whether the money has been released; and

(d) if so, whether the same has allocated to various plan schemes and if so, the details thereof?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) No, Sir.

(b) to (d) Do not arise.

Increase in central subsidies

2719. SHRI VIJAY J. DARDA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government have recommended phasing out of non-merit subsidies worth over Rs. 1,30,000 crores which have increased from a negative 1.04 per cent during 1991-95 to 19.38 during 1995-2000;

(b) if so, why this alarming fiscal situation has arisen, which are the sectors where subsidies have been increased and why; and

(c) what steps Government proposes to adopt to tackle this situations?

THE MINISTER OF FINANCE AND COMPANY AFFARS (SHRI JASWANT SINGH): (a) Explicit Central Government subsidies increased from Rs. 9133 crore in 1990-91 to Rs. 44618 crore in 2002-03. These subsidies on an average accounted for 1.4% of the

GDP during 1990-91 to 1994-95 declining to an average of 1.2% during the period 1995-96 to 1999-2000.

(b) The proliferation of explicit Central Government subsidies has been mainly an on account of expansion of food subsidies from Rs. 2450 crore to Rs. 24200 crore and fertilizer subsidies from Rs. 4389 crore to Rs. 11009 crore during the period 1990-91 to 2002-03.

(c) Government is constantly reviewing the burden of subsidy and its implication on fiscal aggregates. It may be recognised that social and economic compulsions would not allow complete abolition of subsidies. However, Government is attempting to make subsidies transparent, well targeted and efficiently managed.

Efficiency of new law for recovery of NPAs

2720. SHRI NILOTPAL BASU: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the new law to ensure recovery from NPA account holders in banks and other public finance institutions proving to be effective;

(b) if so, the details thereof, banks and institution-wise as compared to the situation before such enactment; and

(c) the observations of Government on the emerging trend?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) and (b) Yes, Sir. As reported by Reserve Bank of India, the public sector banks and the financial institutions have* issued 16,015 & 150 notices as on 31.12.2002 under the Securitisation and Reconstruction of Fiancial Assets and Enforcement of Security Interest Act, 2002 involving an amount of Rs. 5868.61 crore and Rs. 6931.07 crore and have recovered Rs. 81.98 crore and Rs. 849.18 crore respectively. Details are given in the enclosed statement I and II. *(See* below)

(c) The borrowers are now approaching the banks and the financial institutions for settlement of their accounts. This would lead to significant decrease in non-performing assets as well as recycling of funds of more productive use.